

TRANSCRIPT

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TRANSCRIPT OF ILLINOIS FARM BILL FORUM WITH AGRICULTURE SECRETARY MIKE JOHANNIS AND MODERATORS CYNDI YOUNG OF BROWNFIELD NETWORK AND MIKE ADAMS OF AGRITALK FARM PROGRESS SHOW IN DECATUR, ILLINOIS, ON SEPTEMBER 1, 2005

MODERATOR: Well, good afternoon and welcome to the 2005 Farm Progress Show and this USDA Farm Bill listening session. I am Cyndi Young with Brownfield, America's ag news source. I will be co-moderating this afternoon with Mike Adams from AgriTalk. And I want to thank all of you for being here today. I also would like to introduce Dr. Laverle Carlson (sp). He will be interpreting for the deaf today. So thank you for being here, Dr. Carlson.

Ladies and gentlemen, you have an opportunity to make a difference today in voicing your opinion. Thank you all so much for being here. And without further ado, let's move on with the program. I know the Secretary wants to hear from you. Will you all rise for the presentation of the colors?

[Colors are presented.]

And now with the Pledge of Allegiance, Andy Freeland, 16 years old, from Harristown; and Sabrina Ferril, 12, from Decatur.

[Pledge is recited.]

Please welcome Bethany Koga, 16, and Ashley Caldwell, 16, from Decatur, for our National Anthem.

[National Anthem is sung.]

[Applause.]

Let's go ahead and get started. That's what we're here for. And we're going to begin -- I would like to introduce members of your Illinois Congressional Delegation. And let's start with Congressman Tim Johnson.

REP. TIM JOHNSON: On behalf of the people of our two legislative districts as well as the whole agricultural sector, our appreciation for your joining us here today. Let me apologize in advance after Mr. LaHood and you and a couple questions -- I have another commitment here in Decatur and I'm going to have to leave a bit early. So I hope everyone will understand that.

I am a member of the Agriculture Committee. And I know that together with the leadership of the Secretary and leaders from the appropriations process like Congressman LaHood that we will be about the business very soon of the 2007 Farm Bill.

But I'm here to introduce you, Mr. Secretary. And I know that Congressman LaHood is going to follow this. I know that you had a number of years in your tenure as governor of one of the greatest agricultural states, after Illinois, in the country, in Nebraska; and that you grew up on a family farm in Iowa; and that you have done an extraordinary job so far in your tenure as Secretary of Agriculture. We are very, very proud to have you here in our district, very proud as American citizens, and people who are particularly concerned with the agricultural sector to have you as the leader on a national level.

So with those brief comments and looking forward to hearing yours, I would introduce my senior colleague and my very, very good friend from the district just north of here -- actually we almost are on the very borderline of our district -- Congressman Ray LaHood.

REP. RAY LAHOOD: Welcome to all of you. Thank you all for being here. I want to recognize Dr. Gayle Saunders, who is the president of this outstanding community college. And thank her for her hospitality and the hospitality of the entire -- please stand to be recognized. Thank you.

[Applause.]

This is one of the finest community colleges in the state, and the leadership that's been shown not only by the board but by the president in terms of really being a magnet for making the progress show happen in this community is just outstanding. These listening sessions are very important. In the 11 years I've been in Congress, I will say that I've been through two Farm Bills under the leadership of former Congressman Pat Roberts from Kansas who's now a U.S. senator, and former Congressman Larry Combest of Texas who no longer is in Congress. And actually Larry and Charlie Stenholm who is from Texas, no longer in Congress, went on the road before the last Farm Bill was written, similarly to the way that the Secretary is doing it. But to have the Secretary, the number one advocate for agriculture and the President's number one team player for agriculture, traveling around the country and picking this part of the country to come, I think speaks so well of the fact that he does want to hear from all of you.

And so I look forward to whatever comments you all have on your mind with respect to a new Farm Bill, a new farm policy. I know this administration, I know

President Bush, having come from Texas, is committed to making sure we have a good farm policy for our country. And I know Secretary Johanns is also interested in that too. So Mr. Secretary, thank you very much for coming to Decatur, and we look forward to participating in this open session today.

SEC. MIKE JOHANNNS: Great. Congressmen, thank you very much to both of you. Ladies and gentlemen, I think it just speaks volumes that you would have these two gentlemen here with us to help us kick off this event. That means they're very, very committed. Not only their districts but the future of ag policy in this country. So I thank you. I was joking with Congressman LaHood. You have one member here in Congressman Johnson who is on the Ag Committee, you have another member in Congressman LaHood. One is on the Ag Committee, one is on the Appropriations Committee, and that's a really good combination. (laughs) A really good combination.

It is great to be here. Mention was made that I grew up on a farm in Iowa. I actually grew up on a dairy farm as a matter of fact, and you're probably all sitting there thinking about, well where would that be in Iowa? And so I don't want you thinking about that when we need to have you talking about some very important issues. So I'll start out and clear up any confusion about where that farm in Iowa was at. It was in northeast of a community called Osage, Iowa. And I see you're still confused about where Osage is at, so I better clear that up. Osage is south of Stacyville and St. Ansgar, and it's straight east of Manly. So now you know where Osage is at.

[Laughter.]

I joke that my father had three sons. And his idea of building character in his sons was, you got a pitchfork or a scoop shovel and you went out to the barn or you went out to the hog house in you-know-what. You stood ankle-deep in you-know-what, and you just pitched away, and that was his idea of building character. I been in politics all my life, and little did he know that he was preparing me for my life in politics.

[Laughter.]

Well, it is good to be here. I'll also say thank you to Cyndi Young and Mike Adams our moderators. We really appreciate their participation. The color guard was great. Beth Koga and Ashley Caldwell, Decatur Lutheran High School, did the National Anthem, and we appreciate that. Andy Freeland from Mt. Zion FFA and Sabrina Ferril, Macon County 4-H did the Pledge of Allegiance. No? Did they? I hope I have the right names there.

But we always have young people at these forums, and the 4-H and the FFA mean a lot to me because I was in both programs when I was growing up.

Now let me also say thank you to the community college. I love community colleges. All across this country the community colleges are doing such great things. My son went to a community college -- I'm pleased to share that with you -- picked up

some courses as did my daughter. She graduated actually from a four-year school, but she picked up some hours over at the community college there in Lincoln, Nebraska. And so I know the President shares that zeal for community colleges. So thank you for the invitation.

And the Farm Progress Show organizers -- I just got a glimpse of the Farm Progress Show, but I would love to go over there and spend a day or two or three. I know it's not possible schedule-wise, but it looked great. It looked like a great show.

Let me also, if I might, mention a couple of disasters, if you will. One is of course the hurricane. What an unfortunate, terribly sad situation. I do want you to know that yesterday the President called his Cabinet together and just literally said, we need a full court response to this. We need every federal agency involved to help these people, first to protect life and limb, get them situated, and then to aid in the recovery process. USDA will be involved in that; we are already. We're sending Forest Service employees there, got about 700 either there or headed there. They do just great instant managements. They can get into the middle of a situation and really get things moving. So we're happy to do that.

But nutrition programs, we do a lot of that at USDA. So we'll be ready to move tons of food into that area, again when we get the signal.

So just a difficult situation. Our thoughts and prayers are with those folks.

The other item I wanted to mention is the drought that you've experienced here in Illinois. I certainly am familiar with it. As you know about a month or so ago I declared really all of Illinois a disaster area from a drought standpoint. And what that does, it allows me as the Secretary to make available to those who qualify certain disaster programs. That might be low-interest loans, it might be tax benefits that occur, but the first step is that drought process.

I did tour this morning with Speaker Hastert. We went into an area and looked at some corn and we looked at some soybeans. The corn is about what you would expect. You know, you peel back the husk on one ear and there's four or five kernels there. You peel back the husk on another ear and there's not really an ear there, never really formed an ear. And then you peel back another one and maybe you've got an ear and you've got some kernels on it, but it's about two-thirds of what you would anticipate.

Looks to me like with warm, dry weather ahead of you, which I understand is in the forecast, that you'll probably be out in the fields here somewhere in the timeline of the last week of September, maybe first week of October, and at that point we get an idea as to what the yields look like. And then decisions will be made as to what the next step would be here. But both terribly unfortunate circumstances.

Now I also wanted to tell you that I'm out doing these forums because there's a man in Washington that asked me to do them, to get across the country. And so I've brought greetings today from the President of the United States, George W. Bush.

[Playing of video-tape]

PRES. GEORGE W. BUSH: "Thanks for letting me speak to you at this Farm Bill Forum. America's farm and ranch families provide a safe and abundant food supply for our people and for much of the world. You represent the best values of America -- stewardship of the land, hard work and independence, faith, service and community.

"Mike Johanns understands the importance of America's farmers to our country, which is why I chose him to lead our Department of Agriculture. I'm proud of his work, and he will lead our efforts on the next Farm Bill. Secretary Johanns and I believe the first step in this process is to ask each of you how today's Farm Bill is working and how it can be better.

"As we look to improve America's farm policy, we will continue to focus on the following goals.

"See, America has about 5 percent of the world's population which means 95 percent of your potential customers are overseas. So one of our goals must be to ensure that America's farmers and ranchers have access to open, global markets.

"A second goal is that we want future generations to have plenty of opportunities to go into agriculture.

"Thirdly, we need cooperative conservation that encourages good stewardship of our land and natural habitats.

"We also need to act wisely in delivering help to our producers. And we must promote cutting-edge agricultural products and research.

"Finally, we must ensure good quality of life in rural America. The Farm Bill is important legislation that meets real needs. The next Farm Bill should further strengthen the farm economy and preserve this way of life for farmers and ranchers of the future.

"Hearing your advice is an important step toward meeting these goals. I thank you for all you do for our country, and thank you for listening."

[End of Video-tape.]

SEC. JOHANNNS: There's your President. Very good.

Today in the comments we hope that you will think about and focus on six areas. Now having said that, we don't enforce that very strictly. If you have something on your

mind we want to hear about it. But these are the six areas that are of interest to us as we think about the next Farm Bill.

Challenges for new farmers. We will start today with an FFA member and a 4-H member. We've done that at every forum. I really feel strongly that we should be developing farm policy that allows for entry of the next generation into agriculture. So I like to hear their ideas, and so we'll have a 4-H member, an FFA member. We'd like your thoughts on that too.

Competitiveness. How do we compete in a global marketplace? I was citing statistics in terms of your role here in Illinois relative to the global marketplace. You are major exporters of farm products, huge exporters. In fact by all accounts I think you're second in the United States in terms of exports. This market is enormously important to your state, but it is all across the country.

The third area relates to the farm program benefits. We have quite a discussion and debate about this. Are we doing the right things in terms of the distribution of the farm program benefits? In this area we've heard about everything from payment limitations-- in Kentucky yesterday we heard discussion about subsidies and moving that into environmental approaches. It's probably been the area that has brought about the most discussion as people have come to the microphone really across the country.

The fourth area is conservation. We are a major investor if you will in conservation programs at the USDA. What are we doing right? What do you see that we should do differently?

Rural economic development is also a part of our portfolio. And so that's the fifth area. Do you like what we're doing in rural economic development? What would you like to see done differently?

And then the sixth area is expansion of ag products, which the President mentioned.

I reference ethanol today. About 12 percent of our corn crop goes into ethanol; 25 years ago had I come here and done a Farm Bill Forum and said you know, 12 percent, 13 percent of our corn crop will go into ethanol I think people would have been mystified, would never have imagined that was going to be the case. But now it is the case.

The other thing I'll share with you is Congress I believe with great leadership passed an Energy Bill with Renewable Fuel Standard of 7.5 billion gallons. Today we produce under 4 billion gallons, so you can see the impact this is going to have, whether it's biodiesel, ethanol, biomass products that are converted into energy.

But ladies and gentlemen, with that here's kind of the drill. I put the microphone down, and I listen to you. I probably won't comment a lot during the time of your

testimony. Really it's your opportunity. I'll be here the next three hours if all that time is necessary to hear all your comments. Then at the end I'll take a few minutes just to wrap it up, but between now and then I'm going to be a silent partner in this effort. I'll be taking some notes and very, very anxious to hear. Again, thank you for the very warm welcome to your great state. Thank you.

[Applause.]

MODERATOR: And thank you, Secretary. I'm co-moderator today, and I guess also co-sheriff today because I'm supposed to make sure we all follow the rules here. We won't be too strict except for on one thing. We really would like for you to limit your comments to two minutes.

Now we're utilizing a green, yellow, red color system here, and I'm going to ask the guys in the room back here to show us. This green light will be on when you begin making your comments. After you've commented for a minute and a half the light will turn yellow. When you are finished with your two minutes or your two minutes is up, the red light will come on. So that should help us all in keeping track of the two minutes.

And if you need to go an extra 10 seconds or so I promise that's all right, but please do try to keep it to two minutes so everyone has the opportunity to speak.

Please, no inappropriate outbursts. I'm sure that's not a concern here in the great state of Illinois.

This forum in its entirety is being recorded and will be transcribed to make sure that all of the comments are considered, that the Secretary does have those documented.

Also, when you comment if you could please give your name, where you are from and your involvement in agriculture or your interest in the Farm Bill, we would appreciate that.

There are several microphones throughout the area. What we'd like for you to do, we have a couple guys here, Kyle and Tim and Ivan back there, have microphones. If you'd like to make a comment you just raise your hand, get their attention. We have plenty of time, so they will make sure you get the microphone. And then if we have people in the outside areas that need to come in and comment we have side microphones for that.

So I guess to begin with, without any further ado, let's roll on this because I know the Secretary and the Congressmen are anxious to hear what you have to say.

Let me introduce the first two young people that will be commenting. Andy Freeland is 17 years old. And Joe Septin (sp) is 17 years old. Both are from Mt. Zion.

MR. ANDY FREELAND: Hi. I'm Andy. I'd just like to say, thanks for coming, for one thing. And I just want to talk about, my dad's a farmer here south of town, and I help him out a lot, and eventually I'd like to take over the farm. And so I just want to know, you know what do I have to look forward to as far as pricings go and stuff because you know anhydrous, \$500 anhydrous, and corn's under \$2 and doesn't seem like it's going -- seems like it's going down. Beans are under \$6, seems like they're going down. And you know, fuel's going up. All the cost is going up, and our prices are going down, what we're making.

So you know, is there going to be stuff passed that we get better prices out of what we do? But eventually, you know, we're not going to be able to afford what we need to do if prices don't get any better. So that's just what I -- you know, what do I have to look forward to in the future come 15, 20 years, however long, whenever I decide to take over or whenever that opportunity arises?

MR. JOE SEPTIN: Hi. I'm Joe. I'm also a son of a farmer out south of town just right by where Andy is. I'm worried about the future too. But right now I'm more worried about the crisis down south. And if we could have alternate ports or places to get other exports out of here. And I'm just concerned about prices with gas going up; and get ethanol in here and hope we lower prices with that. And that's about it for me too.

MODERATOR: Okay. If you would like to make a comment, please let Tim or Kyle know. We have our first person up to the microphone. Please introduce yourself and where you're from.

MR. PAT MOHAN: Mr. Secretary, thank you for hosting this forum on the 2007 Farm Bill. I'm Pat Mohan, president of Support Services at Tate & Lyle here in Decatur. And I'm a longstanding board member of the Corn Refiners Association.

My remarks today will be made on behalf of the CRA, the Corn Refiners Association, which has formulated a position on the Farm Bill which we hope you'll take a look at and view favorably.

I'm here to discuss an issue which is costing Illinois corn growers 10 cents a bushel. We need to resolve the now eight-year-long high fructose corn syrup dispute with Mexico. Farm Bill policy plays an important role in the resolution of that dispute. The sugar program, and in particular the marketing allotments for sugar contained in that program, has been a significant barrier to resolving our dispute and opening sweetener trade with Mexico as promised by NAFTA.

As a result, we question the need for marketing allotments for sugar in the upcoming Farm Bill. But if marketing allotments are maintained, imports of sugar from Mexico should be exempt from those allotments. Thank you very much.

MODERATOR: Our next?

MR. MARK HARRIS: I am Mark Harris. I'm from Clark County, Illinois. I was a farm operator and a landowner, and I have used the Farm Service Agency programs ever since I farmed, when I did farm. My wife was a CED for the Farm Service Agency. And I also teach agriculture and also am an FFA advisor, so I appreciate what the young men from 4-H and FFA have said today.

To address the issues of what can be done to ensure youth become engaged in agriculture and to be the next generation of farmers is an important issue. It's a very concerned issue and should be at very utmost at this day that we are seeking answers for this situation.

There are several things that the farm policy, the next Farm Bill, could address to make sure that we will be beneficial to the youth in FFA and in 4-H and to assist them in keeping the farming situation that they want to do so much in their life.

Here are some issues that I feel need to be addressed. It would be necessary to implement and educate you and also the leaders to listen and that they implement and promote a way of life that will sustain the future of the family farm.

There are several things that the farm policy could do that would be beneficial to the youth in FFA and 4-H to assist in farming. One, to make the youth farm program through the Farm Service Agency available in the next Farm Bill, and to have an adequate staff to make sure and to oversee that the program is run right and to monitor it and the activities of that program. To see that the family farm stays secure and solvent and that the death tax needs to be eliminated and education to family members on setting up wills and to make sure that the family farm stays in the family.

To put a ceiling on farm input cost or implement processes that ensure profitability in the agricultural industry. An example of this would be promoting ethanol to a larger extent than what it is used today, which keeps fuel prices down and raises farm income.

We need to have programs to be established in agriculture to point out to our youth that agriculture is just as rewarding as other fields such as technology, nursing, engineering, politics or any other field that separates and takes our farm youth away from the farm, and to make them recognize that their life is important as an industry and that we should teach this.

MODERATOR: Sir, we need you to wrap it up.

MR. HARRIS: I am going to, and I thank you for the opportunity for being here today and hope these are implemented.

MODERATOR: We have someone from the middle here.

MR. PHILIP NELSON: Good afternoon, Mr. Secretary, and welcome to the Land of Lincoln. I'm Philip Nelson, president of the Illinois Farm Bureau. For the last year and a half Illinois Farm Bureau has been meeting to put forward some recommendations on our Farm Policy Task Force. You know, a recipe it seems for farm programs in the past is, Keep stirring the same old stew; a little bit of paid diversion here, a little bit of LDP there, and mix it with conservation practices, and hopefully it tastes good.

I can tell you, Illinois Farm Bureau leaders have looked and been creative in putting forward some recommendations that we think are necessary as we write a new Farm Bill.

First and foremost, we believe that we need to enhance the crop insurance and risk management programs. Illinois farmers know full and well what we are experiencing this year; even with crop insurance it doesn't protect the farmer to the fullest degree necessary.

Secondly, we'd like to make sure that we implement the conservation practices that were put out in the 2002 Farm Bill. Farmers in Illinois do like the conservation measures that we're presently operating under.

Thirdly, we feel we need to focus on rural development in this state and in this country. Improving our infrastructure as well as our communications technology is a must to revitalize rural America.

Fourthly, we believe in free trade, fair trade and more trade. Mr. Secretary, you know as well as anyone, almost 3 billion people in our world today make less than \$2 a day. We need to have access to providing our commodities to those people and utilizing that trade.

Last but not least, we need to have regulatory framework reform in this country. We compete on the global stage, and it's very important that we don't hinder agriculture production because of some of the onerous regulations that are coming down the pike.

Those are the five common themes that we put forward, and we'd like to provide you further details on each and every one of them as we write the upcoming Farm Bill. You know, your predecessor Earl Butz once said that if we're going to be successful in production agriculture, we need to start acting more like thermostats which control our environment rather than thermometers which react to it. I believe in those words as we write a new Farm Bill. Thank you.

MODERATOR: Okay, let's go to this side of the room.

MR. ANDY WUJEK: Mr. Secretary, Congressmen, other fellow leaders in agriculture here in Illinois. My name's Andy Wujek, and I represent the Del Monte Foods Farm Department in Mendota, Illinois. I'm speaking on behalf of over 200 contract

growers in a nine-county area in North Central Illinois who raise green peas, sweet corn, and lima beans.

The facts are, the 2002 Farm Bill placed restrictions on farmers who plant fruits and vegetables. The next Farm Bill should accomplish the following.

Number one, allow farmers the flexibility they need to choose the crops they grow, specifically in planting fruits and vegetables.

Number two, remedy the restrictions of the 2002 Farm Bill by allowing farmers to opt out of the federal farm program on a yearly basis to raise fruits and vegetables for processing without penalizing them on other acres.

Number three, save taxpayer dollars by reducing the amount of money the government directs to farmers as a means of supporting the oilseed acres.

And number four, remember that no group will experience any negative effects from this change.

This change would correct the unforeseen problems that occurred in the 2002 Farm Bill, that discouraged producers from diversifying their farming operations and encouraging any unnecessary cycle of reliance on federal farm programs. The 2002 Farm Bill unfairly discourages farmers from growing these fruits and vegetables which are canned and sent overseas throughout the world in a world market.

Additionally, farmers without a history of growing fruits and vegetables face stiff penalties if they choose to grow, and this results in an unfair ability for them to rely on their own profits from other options besides corn and soybeans.

Thank you for your considerations on this matter.

MODERATOR: Ivan, you have someone up there?

MR. FRANK DUNMIRE: Welcome to Central Illinois. I'm Frank Dunmire, executive director for Illinois Rural Water Association. And on behalf of our 700 small and rural community members, we join with the National Rural Water Association's 23,000 members in urging the Secretary to consider the following four water priorities.

Number one being to expand the country's most successful rural development initiative, that being the Rural Utilities Service's Water and Waste Disposal Loan and Grant Program. Over 93 percent of the country's 54,000 community water systems serve less than 10,000 population. And it is these communities that have the greatest difficulty providing water and sewer services because of their limited economies of scale and lack of technical expertise.

According to USDA, many rural communities can't afford to provide water to all residents, leaving thousands of families to haul water, rely on shallow wells, or use unsafe supplies. These rural areas and communities have turned to the USDA time and time again for their Loan and Grant Program to build or extend water systems and repay their loans at reasonable rates and terms.

Secondly, recognize the success of the on-site technical assistance circuit rider initiative and a local grassroots-based sourcewater protection effort. Rural water circuit riders and technicians are in the field every day helping systems with compliance, operations, maintenance, management, rates and training. Small communities have come to depend on these programs; they are the backbone of compliance and support for the Safe Drinking Water Act.

Thirdly, retain protection for small utilities serving rural residents from unfair takeovers to ensure that small and rural communities would be able to repay loans. Congress included a provision, 7 USC-1926(b) in the Consolidated Farm Bill and Rural Development Act to protect systems from being forcibly annexed or cherry-picked, if you will, by another system or a municipality.

And finally, to authorize a new enterprise to allow for additional private capital to be made available to rural water and wastewater supplies that would permit USDA to guarantee tax-exempt financing instruments.

Thank you for your attention.

MODERATOR: Let's go to this side of the room.

MR. RICH GIEBERT (sp): Good afternoon, Mr. Secretary. I'm Rich Giebert, a grain farmer from Ellis Grove in Randolph County, Illinois. I farm near the Mississippi River south of St. Louis, and I'd like to take a moment to extend my thoughts and prayers to the people downstream in Louisiana and Mississippi who are faced with incredible devastation caused by Hurricane Katrina.

Farmers understand weather concerns and extremes, and we've experienced one of our worst droughts in latest history. This experience has clearly shaped the thinking of many farmers in our state with respect to the upcoming Farm Bill debate. It's time for us to build on the strengths of the current Farm Bill and to move more closely to more risk management.

I believe we need to provide a stronger safety net that helps producers stay in business during times of low prices, escalating energy costs, and related weather production losses. Because I farm near the river, I recognize the value of fully funded conservation programs as well as the need to expand export markets. Illinois agriculture is heavily dependent on the trade.

We also need a farm policy that addresses the challenges faced by rural communities. To remain competitive and productive, farmers and our rural neighbors need access to 21st Century broadband communications.

We need to stimulate commerce in rural areas by increasing USDA Rural Development funding for technical and marketing assistance to provide value-added opportunities for agriculture producers, like energy.

Our fields of energy, the corn and soybeans we grow in abundance, can help address our growing need for domestically produced motor fuel like ethanol and biodiesel. New production facilities provide markets for farmers, feed for livestock, and create jobs. Illinois will become home to the largest wind farm in the United States. Incentives for wind energy and biomass must be continued and enhanced.

Finally, rural communities face challenges to hold on to the businesses and services that they have for the next generation. We need to find ways to assist small business owners in rural communities to identify and train the successors who can purchase these businesses and keep them in rural areas. A healthy farm sector is the bedrock for prosperous rural communities. We cannot have one without the other.

I appreciate the opportunity to speak, Mr. Secretary, and thank you for your time.

MR. STEVE WENTWORTH: Mr. Secretary, Mr. Congressman, welcome to Decatur, Macon County. My name is Steve Wentworth. I'm a corn, soybean farmer just three miles up the road straight north of here. But what I wanted to talk to you about today is something that's gone very, very well in the previous Farm Bill--is your program on Rural Development. I went together with 20 other corn, soybean farmers in the community and 10 or 12 local businessmen, and we put together utilizing the Rural Development within USDA and their guaranteed loan program -- we built a 10-acre greenhouse where we grow red, yellow and orange peppers hydroponically. We took some of the leading technologies and are doing some cutting-edge work that we think is a real exciting aspect of the future.

What I want to talk to you about -- and we've created 35 new jobs in DeWitt County. And Congressman LaHood knows how depressed and needy that area is for jobs.

But we're under real stress now because the Dutch through predatory pricing activities halve our cost of production, which is about \$16, \$17 per 11-pound box. They've been flying them in since early May into O'Hare for \$11 a box, absorbing about \$6 transportation cost. If we face that in the coming year and we're going to have real trouble putting the '06 crop in. So we would, I've prepared a letter to you, Mr. Secretary, that would warrant your consideration. Thank you very much.

MR. RON COULTAS: Mr. Secretary, I'd like to thank you for this opportunity to be with you in this forum today. My name is Ron Coultas. I'm from Winchester, Illinois.

I'm associated with Scott County Rural Water Cooperative and also Illinois Rural Electric.

There's still a large area of Illinois that needs rural water. All you have to do is see some of the well tests we've taken, the dry weather, recent cut in funding, and the higher project costs we're seeing, and you know that we could stand more money in that area.

Also, we've had some problems with getting existing water suppliers to provide us water at a reasonable cost. It would be nice to maybe look at some regional water treatment facilities also.

Many of the rural electric co-ops are also seeing low growth and increased operating costs, which makes it difficult for them to continue to operate. If the muni rate loan portions and the overall program could be increased, I think that would be very beneficial also to rural electric co-ops.

Also, we're going to be seeing the need for new generation facilities and that's another area we'd like to see monies put into to provide that to supply the rural areas. Of course water and electricity are very, very important to economic development in the rural areas.

I'd like to thank USDA; our co-op received a 9006 grant and we now have a turbine that's operating on the west side of Illinois. Get a lot of comments about that. We do appreciate that.

And I think more people would do that if we had something equivalent to the production tax credits for nonprofits.

Our co-op couldn't have done that a couple, three years from now because we're going to exceed the \$20 million revenue limit for small businesses, so we would like to see you look at increasing that limit also.

And finally, a big thank you to all the state and local USDA staff. They work real hard and helped us a lot in getting these grants and these loans for the turbine and for the water district. And also I'd like to thank President Bush for his nomination of Mr. Jim Andrew from Georgia as our RUS administrator. We think he's going to do a great job at it. He was president of our NRECA national association. And thank you very much again.

MS. MISTY BUSKING (sp): Thank you for letting me speak today, Mr. Secretary. My name is Misty Busking, and by this time next year I will be building my own home, and I get to watch it built from ground up. The self-help program from the Rural Development is a gift from God. I have tried many programs to find a place for me and my two children, but nothing was working. I decided to apply for a rural house loan and was introduced to the Self-Help Housing through Rural Development and Youth-

Build. We are going to build our own home which is like a dream come true. I get to watch my house be built from ground up, and get to have input on what goes on and how the house is going to be built and other, like little areas.

I will be working along with five other families to be building a safe environment and a good neighborhood for our children to grow up in and a place that we can finally call home for the first time. I just want to thank Rural Development and Youth Build for making this possible, and I'd really like to encourage you to make sure the Rural Development programs, that you still support those that help with the self-housing.

MR. JEREMY PAINTER: Mr. Secretary, thank you for the opportunity to speak before you today. My name is Jeremy Painter. I'm from Divernon, Illinois. And I current work for a large ag company called Syngenta. (audio break)

MR. DANA MORGAN (sp): My name is Dana Morgan. I live here in Decatur, Illinois. Mr. Secretary and members of Congress, as the face of rural America and production agriculture continues to change, it's critical that the bond between these two remain strong. Agriculture has and will continue to support rural America. I believe the 2007 Farm Bill should (audio break) our local communities. I've had the wonderful opportunity to be a part of an organization called the Agriculture Future of America, or the AFA. AFA identifies, encourages and supports college-age youth preparing for careers in agriculture and the food industry.

Since 1997 AFA has, with the support from hundreds of sponsoring partners, invested in more than 3,500 college students' career preparation and has awarded more than 900 scholarships totaling almost \$3 million. These scholarships have been funded by hundreds of individuals and rural businesses. In the 2002 Farm Bill, Section 74-12 provides for youth grants administered by CSREES for the National 4-H, National FFA, Girl and Boy Scouts of America. Agriculture Future of America seeks your support to participate in this grant process. We strongly encourage the Department and Congress to include Agriculture Future of America as a grant recipient within Section 74-12 of the 2007 Farm Bill.

Mr. Secretary and members of Congress, other members on the panel, thank you for the opportunity to speak today, and thank you for providing support to the Agriculture Future of America.

MS. KAY GREGG: Good afternoon. Thank you for allowing us input. My name is Kay Gregg. I'm the chief executive officer for Rural Partners; that is your state Rural Development Council for Illinois. We are as you know a nonprofit organization that aggressively advocates, assists and seeks collaborative partners for rural issues in the state of Illinois.

Rural America faces many challenges, challenges resulting from economic, demographic and social elements such as low population density, out-migration, poverty, and lack of community capacity and advocacy. The rural population is deeply impacted

by the change in agriculture and the loss of industry and manufacturing. Additionally, rural communities are geographically separated, rendering uncoordinated programs and services ineffective.

The National Rural Development Partnership through individual state councils was recognized in the 2002 Farm Bill as an organization with strong linkages at both government policy levels and with our rural communities. In enacting the NRDP provision in the 2002 Farm Bill, Congress did not intend to create a new delivery system but to empower a state and federal network to help public officials and local rural leaders as they addressed their local needs.

NRDP is a natural vehicle through which rural challenges could be addressed. The State Rural Development Council, by working with the National Rural Development Coordinating Committee, provides an important and unique means through which the federal government can constructively serve rural America.

The key to this success has three elements:

Collaboration-- which is defined by bringing to the table both public and private partners with dollars, talent, knowledge and innovative ideas to help rural communities.

Coordination-- assuring that public and private entities work together to efficiently and effectively use their resources to positively impact challenges to the rural community and their residents.

Facilitation-- providing a neutral forum within which the public and private sectors can work together on positive remedies to rural issues.

The 2002 Farm Bill had funds authorized to support the State Rural Development Councils which helped facilitate the ongoing operations of these councils, thereby allowing the combined efforts of collaborative partners both public and private to assist rural Americans on issues that were vital to their sustainability.

It now appears there is no further funding authorization for these organizations which bring rural voices to a level where they can be heard. Having just returned from the National Rural Development Partnership Conference I had the opportunity to hear Under Secretary Dorr and appreciate his comments and continued support. As part of that support I would ask that funds be reauthorized for the SRDCs so the rural communities can realize the collaborative partnerships to help them achieve sustainability. Thank you.

MR. HENRY KALLAL: Good afternoon. I'm Henry Kallal, a grain farmer from (unclear), Illinois, and also chair of the Illinois Farm Bureau Farm Policy Task Force. I want to begin, Secretary Johanns, by thanking you for holding a Farm Bill listening session here in Illinois. I really appreciate it.

Last summer Illinois Farm Bureau put together a task force of producers to face the challenge of developing farm policy. We listened to a number of policy experts with a variety of perspectives; examined our own personal experiences, the changing global market; and developed several recommendations for our delegates to consider this December.

The drought of 2005 reinforces for all of us that farming is a cyclical business. With the current Farm Bill, if you don't produce any bushels you don't receive any income. And that's one of the reasons many Illinois Farm Bureau leaders believe we need to begin thinking about an improved approach to farm programs.

In a nutshell, Illinois Farm Bureau members are considering changes in our federal farm policy that would build off the market already and the strengths of the current Farm Bill and provide for a stronger safety net during times of low prices and low production.

Our task force's primary recommendation calls for a transition away from the loan deficiency and countercyclical payments toward a subsidized insurance-based safety net. Instead of a program triggered by price of production, it would be triggered by how much revenue a farmer receives in a given year compared to a recent past.

To give you an idea of the depth of the task force study, our members examined two specific risk management programs. Adjusted gross revenue, or AGR, is a crop insurance policy that covers all crops and livestock. We also studied a modified version of the group risk income protection, or GRIP, which is designed to protect against widespread losses in revenue.

Now we admit we don't have all the answers, but many of us believe innovative management tools are either in place now or can be developed to help farmers assure a certain portion of their annual revenue regardless of adverse market or weather conditions. And with that, Mr. Secretary, thank you for your time, and thank you for listening.

SEC. JOHANNIS: If I might just ask, some of the ideas you put out I have heard in other locations. Your point about this Farm Bill if you don't produce you don't benefit is a very good point, and that really comes home in states like Illinois where you're experiencing drought. We experienced the same thing. I came from, the state of Nebraska, where we had a lot of drought the last four or five years.

Were your recommendations reduced to writing? Have you put together any kind of paperwork with your Farm Bureau Task Force?

MR. KALLAL: Yes, we have, Mr. Secretary. But we have to go through the policy process of Illinois Farm Bureau where we go, and our policy will go to American Farm Bureau and then they have to approve it before we put too much out.

SEC. JOHANNIS: If you could keep me posted on that, and I appreciate you've got some process ahead of you just like we do. But as that's making its way through the process, if your Illinois Farm Bureau could stay in touch I would appreciate it. Oh, there's the book right there. Is it a top secret book? (laughs)

MODERATOR: I think he's willing to share.

SEC. JOHANNIS: If a copy would happen to end up in my hands, that would be really good. So. (laughs)

MR. KALLAL: I guess I was overruled.

[Laughter.]

MODERATOR: Ask and ye shall receive.

[Applause.]

MODERATOR: I see some people standing along the sides of the auditorium here. We have plenty of seats if you would like to come in and take one. That would be great. Let's move along.

MR. JOHN CAVENY: Good afternoon, Mr. Secretary. I'm John Caveny, a grass farmer from Monticello, Illinois, which is about 30 miles east of here. I grow grass for animal feed and base load renewable energy. I am also president of Environmentally Correct Concepts, a company that develops biomass energy projects, has patented practical climate change research mitigation technology and other things.

I believe that farm and ranchland should be working land instead of retired land, and manage to make money from core agricultural activities and ecosystem services. My comments address questions 2, 3, 4, 5 and 6.

Environmentally Correct Concepts believes that the United States can be a leader in reducing the amounts and rates of greenhouse gases going in the atmosphere by using plant-based renewable fuels, market forces, and voluntary programs as well as through creating and expanding carbon sinks on public and private land. Green power from biomass crops provides an opportunity for agriculture and the energy sectors to work together to find profitable and sustainable new crops for producing base load electricity, liquid transportation fuel and synthetic natural gas.

The new Farm Bill needs to encourage the use and production of biomass energy crops through federal crop insurance risk management products.

It's my understanding that on August 29 you announced the formation of a Market-based Environmental Stewardship Coordination Council. We applaud you on this. This is an innovative step towards enabling farmers and ranchers to realize a new

recurring source of income from environmental stewardship. ECCI, Environmentally Correct Concepts, owns and has licensed certain key intellectual property needed to accelerate this financial opportunity. We want to work with you on this project.

Producing cellulosic biomass for base load renewable energy and other uses will provide farmers and ranchers with a new crop and many rural communities with new processing opportunities and allied agricultural service opportunities. All of us will benefit from blue sky, green grass and fresh air.

Thank you for listening.

SEC. JOHANNES: You'll want to follow up on those comments and if you have an interest in interfacing with that group or even have a nomination, we haven't selected people yet. I would strongly encourage you to get in touch with me. Okay? Great. Thanks.

MODERATOR: Ivan?

TERRY DAVIS: Good afternoon, Mr. Secretary. I too applaud and appreciate your coming to Illinois. It is a bit of a dry year. I wish we had the crops from last year to show you, but we're doing the best we can under the conditions we have. I might just take a moment, too, to think of the folks in Louisiana. I'm here to speak on conservation today as the president of the Illinois Association of Conservation Districts and a member of the NACD board. But to think about those folks down there and the hardships they're enduring and that the future of agriculture I think is just one moment away from that. Any natural disaster could put us in the same position as what the city of New Orleans is today.

Looking from a conservation perspective, if the levee had been built five feet higher, maybe if the lake wouldn't have breached, if maybe the city of New Orleans hadn't been placed on a flood plain things might have been quite different today. But things are the way they are. We can't change that. We want to move forward.

The new Farm Bill is going to allow us that opportunity to look at things differently than we have before. I applaud you and the administration for what you've done in that regard.

You just came back from St. Louis and the White House Conservation Conference. I know there will be good things come from that as the conservation movement begins forward, but I am also a rural resident of Illinois and of America and a proud resident of that. I appreciate my rural heritage and I want to keep that. I want to keep the youth that are in my area in farming. We need to come up with solutions to do that.

I think part of the Conservation Bill that's before us here may allow some of those opportunities. We've got ways to protect income; we're working hard towards that. I'm

involved personally in an ethanol plant, so I understand that energy production becomes a major component in how we can assist ourselves as farmers.

But looking at conservation as the sustainability of America to feed itself into the future, right now the ports in New Orleans are closed because of a natural disaster. It has cut off Illinois from being able to get to the rest of the world with its supplies. We need to come up with solutions to get around that, but the conservation bill, I think, as it moves forward allows an opportunity for not only to address issues of today but to address those issues as they go into the future that will not only feed this generation, but the next generation will have that same ability to feed itself.

Organic levels today are half of what they were in the 1930s. We have opportunities to maybe do carbon trading on watershed bases nationwide through the new program. I'd also like to see maybe considered expanding that to maybe nutrient trading, that within a watershed of a TMDL that there might be the ability to maybe move nutrients from an impaired watershed, allow those credits to be traded to someone that's not in an impaired watershed, and allow that producer that's in that area that's impaired to maintain their position and stay in production but just have to cut back their inputs.

So I look for that to be a big move forward but --

MODERATOR: Sir, we need you to wrap it up.

TERRY DAVIS: But the time of what was going on -- but I think even more important is what has happened in this last week that we're just one natural disaster away from the future. We spend a lot of time talking about little things but I think we have an opportunity. And your foresight, sir, that the ability of you to come out here as you said to just sit and listen, that's refreshing. I think that's what America wants to hear, and I think we're going to be very proud of this next Farm Bill. Thank you.

MR. JIM OBERWEIS: Mr. Secretary, Congressman LaHood, I'm Jim Oberweis, Republican candidate for governor and chairman of Oberweis Dairy in North Aurora, Illinois, a small family business that has grown from 50 employees to well over 1,000 employees over the last 12 years. We still put milk in environmentally friendly glass bottles and deliver it to homes throughout Illinois and the St. Louis area.

My request of you today I think is fairly basic and fairly simple. And that is, please let the free market determine the price for milk, not our government. I believe if you would do this it would be a win for our producers, it would be a win for processors, it would be a win certainly for consumers, and it would be a win for government and taxpayers. I like those situations where it's win/win/win/win. That to me is the best situation.

Today for example we would like to be able to sit down with our producers. We have 40 family farms in Northern Illinois and Southern Wisconsin. We'd like to be able to say to them, today the price of milk is whatever it is, \$17 or \$18 per hundred; we'd like

to pay you that for the next 12 months for your production. The farmers would love to be able to have that opportunity because they would know what their revenue stream would look like. They could then contract for their pay or their other feed, have an idea of what their expenses are going to be, and have some idea of what their profit is going to be.

Similarly, from our standpoint we would know what our costs for our main ingredient are. We could have stability in pricing of our product for the next year for our consumers. The consumers would like that as well. And there would be no government expense in terms of the cost of regulation, there'd be no disruption of markets in terms of the artificial factors that are present when the government tries to set the price per milk.

So the request is pretty straightforward. Please get the government out of the pricing business. Thank you.

MODERATOR: We're going to take a couple of more questions and then take about a 10-minute break. Don't forget, you can comment again after you have made one comment. Also we'll have an open comment period at the end for about 20 minutes. So let's go ahead and --

MR. STEVE BAKER: Mr. Secretary, my name is Steve Baker. I'm the president of Springfield Plastics Drainage Pipe Company located just south of Springfield here in Central Illinois. Thank you for taking time out to come and listen to us. Thank you also, Congressmen, for being here with us.

I represent today an agricultural drainage management coalition. I would like to first thank you for your reaction or the USDA's reaction to the letter of support from the congressional leaders on drainage management. This is a technology that by your reaction to the Midwest states that has furthered the technology and allowed your individual state cons to further put this out and to be tested and get the practice to the ground.

The second thing I'd like to address is really what President Bush said in his introduction, in item 3, I believe, was his conservation and in item 4 of our little brochure here, How can we address conservation and environmental goals? -- through your use of drainage management and water drainage management as it's commonly referred to, item 4 on this sheet can be achieved very easily. We would like to see this in the new Farm Bill as we go forward. There's not many practices that we don't have a sacrifice where we have to trade one thing for another. This is truly a practice, a technology where the farmer wins and the environment wins, so that both parties are not in any kind of conflict with each other.

So we'd like as you go forward your consideration of this most important technology in the future Farm Bill. Thank you.

MR. ROD SHARKEY (sp): Good afternoon, Mr. Secretary. I don't have a letter or a book to hand you, but I was thinking here that maybe I could hand you my notes, and if you can read this writing the Farm Bill would be no problem.

[Laughter.]

MR. SHARKEY: My name is Rod Sharkey. I'm a grain and livestock farmer from Bradford, Illinois. And I'd like to thank you for the opportunity to speak here today.

Generations before us have diversified their operations by raising livestock and traditionally farming has been thought of as the perfect model of economics with the clause of entry and exit of the business. They diversified their operations with livestock, and they did that and they gained money from it. And they gained value-added to their crops.

I'd also helped them get started on their farms. However, today with regulations and economics, it's very hard for a young farmer to get involved in not just grain farming but also livestock farming. It is imperative that the '07 Farm Bill have funding for the mandated changes brought forth in the CAFO regulations. Adequate funding for programs like EQIP will help the next generation of farmers get started by diversifying their own operations on their own farm without having to rely on off-farm income. And that's a problem that we're seeing more and more of--farmers have to rely on off-farm income to make the ends meet. When you do that, you create a wedge in between that farmer and his operation.

Having a farmer directly involved with his operation has been the cornerstone of what's made agriculture so great.

Along with that, the '07 Farm Bill has to become more compliant with the WTO and the green box. Along with EQIP programs like CREP and CRP will also be green-boxed according to the WTO. I think we can begin by re-enrolling all 22 million acres of CRP ground that come up in 2008. Thank you.

MODERATOR: That's all of the questions we're going to take for right now. We appreciate the momentum; we've had some awesome comments. We're going to take a 10-minute break here. And before we do, I would like to recognize, I didn't see him in the crowd with the lights here-- your Illinois director of agriculture, Chuck Hartke is here in the crowd. Director, if you would, stand up and be recognized?

[Applause.]

MODERATOR: Thank you. Well, let's take a break, and everyone come back refreshed and ready to make more comments. Thank you.

[Recess. Off and on the record.]

MODERATOR: Ladies and gentlemen, we're going to get started. I know some folks are still in the lobby enjoying ice cream. I know the sign says you can't bring food or drink in, so you either eat fast or sneak it in, one or the other. I'm not sure.

We appreciate you staying through the break and being here this afternoon. My name is Mike Adams, host of the AgriTalk Radio Program heard across the country.

Obviously, I know many of you and I want to congratulate you for keeping your comments within, for the most part within the two minutes. Mr. Secretary, I know a lot of these people, and I didn't think there was any way they could keep it within two minutes. So they have done a great job of doing that.

I think we should again before we get started with the second half, show our appreciation to Secretary Johanns for coming to Illinois and holding this listening session.

[Applause.]

I can tell you as a person from the media how accessible Secretary Johanns has been. We don't always enjoy that from the Ag secretary. This is a rare privilege to have someone who wants to communicate to people across the country and is very willing to do that with us so we can get the message out. And thank you, Secretary Johanns, for being so accessible.

All right. Let's get right to it. We have more comments, and I think we're going to start over here with Harold, so let's get things going for Secretary Johanns.

MR. HAROLD REETZ: Thank you, Mike. Thank you, Mr. Secretary, for coming and joining us today, or opening up and listening to us. I'm Harold Reetz. I'm president of the Foundation for Agronomic Research located in Monticello, Illinois, here. But my work is nationwide. We have programs in literally every state in the union and working on production systems research really, and supporting research at the universities across the country, especially cooperative research among universities, between universities and industry, and on-farm research type work. So it's more on the applied side of research.

And that's what I'd like to talk to you about briefly is the new Farm Bill is an opportunity to upgrade the support for the applied side of research. We've done a good job in recent years in supporting the development of technology, new genetics and the kind of technology that's going to move us forward. But we need a parallel program in production research and the extension phase that goes with that in order to make sure we take advantage of the best technology that we develop.

And you walk around the grounds out here at the Farm Progress Show you see the kinds of developments we have. We need-- our universities are not very well equipped anymore to do the research that's needed to put that technology to work on the farm. And

we need to support them in that process. So I'd encourage you to put a strong portion in the Farm Bill.

Under CSREES, under NRCS there's a number of places where this could be done to be sure that we take advantage of the technology just as well as our competitors in other countries because countries in South America are taking advantage of our technology because they have the production research system in place to use the technology we're developing here even.

So I think that's a real strong thing. We've had good programs in the past. The IFAFS program, the Conservation Innovation Grants going through NRCS, there's a number of different things the vehicle is already in place to do that.

So I'd just encourage you to keep that thing alive and put more support in if we can.

MODERATOR: Thanks, Harold. I want to clear up something. There's a question out there, Mr. Secretary-- are you really taking notes up here and paying attention? He is, folks. He's taking notes about what you're saying.

[Applause.]

And he's going to take this back and helps formulate your input to Congress on the next Farm Bill. Isn't that right?

SEC. JOHANNIS: You know, I'll share this with you. When I get back we take these notes and we put them into a typed form because we have the same problem as this gentleman here. If I go back and read my own writing a month from now I may not understand it. But just as recently as yesterday before I left the office we spent an hour, hour and a half with some of the people that are starting to do some discussion and thinking at the USDA about farm policy relative to the Farm Bill. We spent about an hour and a half, and I went through some of the things that I was hearing out there in these Farm Bill sessions.

So it is helpful. It gets us thinking about things differently. So not only do we take notes, but we actually go back and try to incorporate them in what we're thinking about.

MODERATOR: All right. I just encourage you, when you come to the microphone say your name slowly, who you represent, where you're from, especially the prep people are writing these things down. Those of us in the broadcast side of things, we don't worry about spelling as much as the front people do. So if you would do that, they'd appreciate it. Let's go over here.

MR. DENNIS MCMILLIN: My name is Dennis McMillin. I'm from Champaign-Urbana, home of the fighting line. Hopefully our football team is going to be that good too.

I would like to thank you, Mr. Secretary, for being here today. I work for Buse (sp) Bank in Urbana, Illinois. We have offices between Peoria and Champaign. The Rural Development program, both housing and business and industry, have been two great programs for us. Thanks to Doug Wilson, Jerry Townsend and Bob Clark and their staff, we have been very successful in selling this program.

In the housing arena, I know that our bank made over \$2 million in loans last year just for housing. As far as business and development goes, I'm a commercial lender, I work with that program, and we were the first bank in the state of Illinois to be approved as an approved lender. And I can tell you this program has been very successful.

I think success is judged by during the good times and the bad times. After 9/11 one of our manufacturers had some tough times-- 18 months. They started out with 75 employees some 10 years ago; they had to cut back to 58, and I thought the company was going to close its doors. Orders started coming in. Today there are 58 employees. Net income through July was \$1.4 million, and yes we have positive net worth.

Thanks to the Rural Development program and those folks hanging in there with us, Doug Wilson, Jerry Townsend and Bob Clark and their staff, this company is very viable, very successful. We appreciate the program. And we thank you for your input for it.

MODERATOR: Let's go back up in the upper section there. Mike?

MR. MICHAEL WILLIAMS: Thank you. Mr. Secretary, we appreciate you being here today. I am Michael Williams. I represent the North American Equipment Dealers Association in Trenton, Missouri. We're one of the ag employers in the rural area, so I'll be addressing point number 5 in particular.

As our dealers move forward and with the technology change that everybody has mentioned here, we find a real need for shortage of technicians, even sales staff of some of the equipment we're moving into the ag sector. We represent about 85 percent of the agriculture dealers in the U.S. and Canada. From Canadian dealers we'd like to thank you for your work on your BSE efforts, and obviously with the CAFTA passage, and meeting with my group when we were there in April.

So as we look forward to the future, our dealers are very concerned about where their employees are going to come from. I'm encouraged about the youth coming to us, but I think we can do some more job training programs.

Let me give you an example. In a survey we did in four states -- Michigan, Ohio, Indiana and Kentucky -- the dealers there all agreed they'd like to hire at least one new

technician in the next year. They have plans to hire two or three new technicians in the next three to five years. If we correlate that to our entire membership based on about 4,000 dealers, we're looking somewhere in the need right now today of 4,800 new technicians in the next three to five years, somewhere between 9,000 and 12,000 technicians to work on equipment in the rural areas.

Obviously we're one of the large employers in the rural areas, but we are looking for some assistance along that line.

Just to caveat this little story here, it's a little scenario a little bit different-- our Canadian dealers in Western Canada have the same issue. They have now taken the lead of going to job fairs in East Germany trying to recruit technicians from the European market to come in and fill those voids. We see this with a little bit of a joke coming out of St. Louis when you talk to our dealers in the South they say, we need a new technician we just go to North Dakota or Montana or Oregon -- when it's warm down here, it's snowing like hell up in that country -- to come back and come to work for them.

So we're interested about the rural development area.

MODERATOR: Thank you. I should have known, Mike, you'd be the one to go over on that. All right. Let's go over here.

MR. PAUL CLARK: Thank you, Secretary Johanns, for coming today to our state. I appreciate the fact that you want to get Farm Bill ideas from the farmers and ranchers across this great nation. Who would you get better ideas from than farmers and ranchers?

I am Paul Clark, a grain and cattle farmer from Knox County, Illinois. I am also the former president and current secretary/treasurer of the National Association of Farm Elected Committees. I would like to address the question, "How can federal farm programs provide effective assistance to rural America?"

One such program would be a viability program that assists farmers, especially young farmers, that are under stress to improve their farms' ability to provide a positive cashflow and to allow the continued operation of the family farm. This program could help farms diversify by assisting in capital costs of buildings, equipment and other items.

FSA has the data to help coordinate this program. And this program is being experimented with in Massachusetts, Pennsylvania and maybe another northeastern state. But this program could be a combination program between the state and the federal funds, so that would help considerably.

We should continue farm programs that will benefit the farmers and ranchers of this nation. These programs need to be designed to bolster our income in years of low yield and low prices so that the ag sector can stay on an even basis with the rest of the

economy. Our rural communities rely on a stable economy to keep employment strong, and this will in turn keep our national economy strong.

The Farm Service Agency or FSA as we know it is one of the most efficient-run agencies in the USDA. They administer programs at a very low cost. FSA has provided a great service to the producers across this great nation, and that is how it has become known as the "agency of choice" to most producers.

We understand that USDA will have less money for the Farm Bill due to budget cuts, but the ag sector should not have to shoulder more than our fair share of budget cuts. Thank you.

MODERATOR: Thank you, sir. Let's go down here.

MR. JOHN CABOT (sp): Hello. I'm John Cabot. I'm an ag teacher at Mt. Vernon High School, past president of the Illinois Ag Teachers. I'm also a grain and livestock farmer for about 34 years.

First of all, I want to thank you for coming out. Communication is everything, and to see somebody you can talk to -- and I want to thank you for coming to Illinois FFA Convention, hope to see you at the National FFA Convention. We really appreciate that.

I was going to talk a little about education, a little about LDP payments. Those are the two things I'd like to talk about. First of all, I'm with the state officers. I like to claim these are my own students, but they're running around out there somewhere. But these kids, I mean I know with the education, testing, we penalize schools for not meeting the test scores. And I about quit teaching after four years, went to see my uncle two years before he died over at St. Francis Hospital in Peoria. I asked Uncle this; I said I can't motivate all these kids to get As. What am I doing wrong? He said, John -- he was about to die there -- and he said, You don't want them all to get As; you want to have some A students, B students, C, D and so on so we can cover all the jobs in America.

I wish we had more than one just college entrance test for these kids so we can help these kids out instead of saying they're all college bound, four-year-university students, because we do have jobs for everybody out there. The worst thing we can do to these children is make them drop out of high school. We've got to address this because I've seen it for 21 years now-- kids dropping out of school. So we've got to help the rural areas by doing that. If we could just pay somebody.

I do 280 FFA activities a year, and 184 schooldays. We do it all year long. And there's nothing better than what FFA and 4-H do to give these kids -- and I have more city kids than I do farm kids anymore -- but to help them to be leaders in their community and to keep them in school. And I motivate kids to stay in school, and I say school's going to be fun, go with me, do things. And thank God our administration let us come up here with the gas prices-- to come up here to talk.

So I appreciate all that you do. But one thing as a farmer --

MODERATOR: Real quick, sir. You're out of time.

MR. CABOT: One thing I want to say is the LDP payments -- if we got 250 bushel times 20 cents for LDP, that's \$50 per acre. But many times in Southern Illinois we have what Central and Northern Illinois has, 40 bushel per acre. That's \$8 per acre. It just doesn't make sense to me. A state average or something to pay LDPs off would make sense. When you have a disaster you get something for your loss that you have. And thank you very much.

MODERATOR: All right. Thank you very much. Let's go over here on the side.

MR. KEITH BOLIN: Thank you. I'd almost ask for unanimous consent for an extra minute, Mr. Johanns. But I'm Keith Bolin from Manlius, Illinois. I'm a fourth-generation hog farmer. The two generations before us went to Nebraska and the droughts in Nebraska ran us back to Illinois back in the 1800s.

Again, we have a hog operation, corn, cattle, from Bureau County located near Manlius, Illinois. I'll give you my pedigree here, but the one I'm proudest of is I'm a dirt hog farmer from Illinois, but the pedigree is I'm a past Lutheran Church Council President. Presently I'm on the Bureau Valley School Board in Manlius and president of the American Corn Growers Association. I am on the school board of the fifth largest school district in land mass in the state of Illinois. In other words, we're very, very rural.

In January we completed the first wind turbine in Illinois owned and operated by a school district. American Corn Growers Association and others were very instrumental in the first-ever Illinois project. We were not able to receive USDA 9006 money, as schools are not farmers.

This adoption to schools for that money, Title 9, would help farm communities and therefore heavily rely on property tax would indirectly help farmers. That's something to keep in mind, Mr. Secretary. This project is presenting saving Bureau Valley and our taxpayers \$100,000.

You asked in your paper, sir, on question 9, How can federal, rural and farm programs provide effective assistance for rural areas? Our answer on June 17 to that question is still today, price supports, not subsidies. Who wants to be content with welfare checks or subsidies? We are not proud of it, we do not desire it as American farmers. We demand a targeted support price of our grain that support farmers and rural wages communities much like a minimum wage.

The end user of the corn is the real beneficiary of these subsidies or of cheap grain, not the farmer. To accomplish this we also need a competition title in the next Farm Bill -- very critical. It was passed in '02 but removed in conference.

Cheap corn prices destroy our schools, churches and drive people to the city for a job that may or may not be there. The '96 and 2002 Farm Bills did not reduce production as was needed; it reduced producers, code name that's "farmers."

MODERATOR: Sir, you need to wrap it up.

MR. BOLIN: Okay, thanks, Mike. If subsidies are reduced or eliminated which we agree with, over time, without price supports you will knowingly deliver us, the American corn farmer, into the hands of ADM, Cargill, and other grain processors. We need to have a working market, a competition title. If you deliver us to them, we will be under contract production very quickly, not different than the chicken and hog guys. I thank you.

MODERATOR: Let's go up here to the top.

MS. DEBORAH CAVENAUGH GRANT (sp): Hello. Thanks for this opportunity to present my comments. My name is Deborah Cavanaugh Grant. And I'm here on behalf of the Illinois Association of Resource Conservation and Development Councils. I represent over 250 volunteer council members in our 10 authorized councils in three applicant areas. It's our hope that the new Farm Bill will recognize the work we do and include full programming for the 375 councils nationwide.

Illinois is a diverse state with a diversity of needs in different areas. One of the best things about RC&D is that it is local people dealing with local needs in conservation and economic development. It is truly democracy in action. Through local RC&D councils local areas meet the needs of the citizens as defined by the citizens themselves.

The variety of programming is great. It would be impossible to find any county in our 13 council districts that has not felt the positive impact of RC&D. Councils across the country have been very effective in obtaining external funds bringing in over \$333 million to implement projects in their respective communities.

I would like especially to note the need for full funding of all applicant areas. I represent one of these applicant areas. We were able to gain support for our six-county area formation and have completed all the necessary paperwork for our application. As we are all volunteers, we are limited in the scope of the projects we can accept. We need to be fully authorized so we may begin to use a coordinator to meet more of the needs of citizens.

Thank you for this opportunity.

MODERATOR: Thanks, Deborah. Let's come back over here to the side.

MR. ED MILLER: Thank you. Mr. Secretary, I appreciate you coming to Illinois to get comments this afternoon. My name is Ed Miller. I work with Illinois Clean

Energy Foundation. We're a statewide nonprofit that over the last four years has supported more than 1,000 energy efficiency and renewable energy projects in 90 of Illinois' 102 counties. And we're very interested in continuing to partner as we have over the last four years with especially the Rural Development Service within USDA on the Title 9, the Energy title programs and in particular the Section 9006 funding.

We found that our nonprofit dollars can be leveraged with the 9006 funding and help projects, some of which you've heard about here today like the Illinois Rural Electric Cooperatives Wind Turbine, really help those get in the ground and benefit rural communities. So we'd strongly encourage you to do what you can to maintain and increase the funding available through the Title 9 energy programs. Thank you.

MODERATOR: Back over to this side.

MR. DENNIS COOLINGO (sp): Mr. Secretary, I want to thank you for coming to Illinois today and allowing us to speak to you. I'm Dennis Coolingo (sp). I'm a grain producer from Southern Illinois, Washington County. I'm on the county committee in our county, and I'm also president of the Illinois Association of Farmer Elected Committeemen.

In regards to the Farm Bill, I think the existing Farm Bill has been very good in many areas. I hope you do not throw the whole thing out, hoping to find something better. As noted earlier today, the one area of weakness is in the area where there's little or no production in a drought or some other type of disaster. And that can be addressed through crop insurance.

What I'd like to address briefly is the family farm. We always talk about keeping the family farm in operation and trying to encourage it, but I find in most cases the farm programs do not do that.

One area that's not been talked about today is caps in payments to the farmers, whether through crop insurance or through farm program payments. If you do not establish a reasonable cap, you will systematically destroy all family farms. Anytime you give 10 to 15 times more money to one farmer as what is required for a family to make (audio break) --

So in the wind energy and so forth, I find that to be very beneficial to the family farm. I'm also a no-tiller, been no-tilling for 20 years and find it's a very profitable way to farm and it keeps my energy costs down considerably. If there can be some encouragement of a farm program for going towards no-till, saving energy in that category, it would be very beneficial. Thank you very much.

MODERATOR: Thank you. Down here?

MR. JAKE BENNELL (sp): Thank you. I'd like to welcome you back again to Illinois, as you spoke at our state convention this year. I'm Jake Bennell. I'm serving this

year as the Illinois State FFA president. I have two other people with the state officer team with me here I'd like to introduce. On my left is Ashley Handel (sp). She's serving this year as our state treasurer. She's from Brighton. And on our right is Kayla King. She's serving this year as our state reporter, and she's from Nokomis.

Us being involved in FFA, I've met you before and heard the story about you coming back to a hometown and reading the newspaper and seeing your name in there for being a former FFA member and winning a public speaking contest. We'd never tell that today after listening to you speak. However, sorry.

[Laughter.]

MODERATOR: Time's up. Okay. We'll move on.

[Laughter.]

MR. BENNELL: I don't want to get too much into our organization but in our organization we have supervised agriculture experience programs which award students for on-the-job or hands-on learning. We have 54 different areas, and one of these is diversified crop production. I'd like to go back on a personal level as to what the man said from Del Monte earlier. I come from a family farm in Northern Illinois where we grow corn, soybeans and vegetables. And our family farm has seen a lot of this punishment as what he called it earlier from growing vegetables on ground that's based for corn.

I have no idea what you should do or what could be done to correct this, but as a family farmer I see this could be one of the problems that's causing future farmers or younger farmers to join into the agriculture industry. I think a lot of these punishments are scaring off younger farmers and think this could probably solve some or give you answers to some of the questions for question one in the booklet.

Thank you again for returning to Illinois, and thank you for the opportunity to speak, and welcome back. Thank you.

MODERATOR: Nothing like that FFA humor, right, Mr. Secretary?

SEC. JOHANNIS: Yeah. No. I enjoyed that FFA humor. I might mention though that it was in Illinois at your state convention that we decided to kick off the Farm Bill Forums, and that was the day we released the six topics we were interested in. So it is good to be back in Illinois. It's always great to see those blue jackets.

[Applause.]

MODERATOR: Over here to the side, Mike? On the left?

MR. BILL TITEMILLER (sp): Thank you for coming to Illinois, Mr. Secretary. My name is Bill Titemiller, and I represent E.J. Water which is about the state's largest rural water cooperative. We serve about 2,000 square miles, so it's a very large area in seven counties. There's three things I want to really talk to about. First I want to pass some accolades to Rural Development, specifically Doug Wilson and Jerry Townsend, the staff. They do an excellent job. I think we stole -- I mean we're paying back about \$25 million in loans and grants through the program which has been an incredible opportunity for us.

But specifically what I'm most concerned about is the recent drop in funding to Illinois in the last three or four years. We've gone from a level of \$19 to \$20 million a year in the water and waste program down to in the \$5 to \$6 million a year in the last four years. That's very concerning to me.

This is just an off-the-wall idea. What I understand is that the money that goes into the program runs through an appropriations process, and what I would like to propose is a concept that the money that all the RD borrowers pay back on a monthly basis and in the case of municipalities it's twice a year, with the principal and interest would go into like a budget that would just turn around and roll back out into the program.

This would make the program self-sufficient from an economic perspective. There may need to be some additional monies pumped in every year to make the grant relationships work, but it would be something that would be worth considering.

The last thing is, we know all about universal telephone access, we know about the Electrification Act of 1938. What I'd like addressed and it's been noted before is, we've got people hauling water in Illinois, and we still have 1,000 members that want, need water. And what I'm asking is a way to create a new electrification act if you will of 2007 where we can put some serious dollars towards this effort of getting potable and drinking water to the American rural areas. Thank you for your time.

MODERATOR: All right. Thank you. We got one up in the back.

MR. RON KINDRED: I'm Ron Kindred. I'm soybean and corn farmer from Atlanta, Illinois, about 40 miles northwest of here. And I'm an Illinois director for the American Soybean Association.

I believe the goal of farm policy should be to provide an equitable farm income safety net while allowing market conditions to determine cropping decisions. 2002 Farm Bill does not provide this balance, and producers of crops are receiving comparatively lower benefits, not fully responding to sharp increases in world demand for these commodities.

In addition, certain farm program benefits including direct payments are factored directly into land rents, raising production costs and making it difficult for new producers to enter farming.

The ASA is exploring the idea at the present time of a revenue-based income support program for farmers as opposed to the production program just as Farm Bureau is exploring.

We believe the WTO allows revenue protection up to 70 percent of income to be included in the green box. We think this could be negotiated upward to 80 to 85 percent, and the balance of income protection could be provided by a limited marketing loan and/or single peril or buy-up coverage under crop insurance.

One seed I would like to plant today on the energy portion, the energy title of the next Farm Bill-- I believe that European Union pays farmers to grow crops for energy. I think that's definitely a possibility here in the United States, especially as renewable fuels are expanding here in the United States. We're going to need them. The crude oil is not going to be the answer. Petroleum based products will not be the answer for the future.

So if we could provide payments to farmers for growing crops for energy it might be worth exploring. Thank you.

MODERATOR: Thank you. Down front here?

SEC. JOHANNIS: If I might just jump in here. The discussion in this area as I said, this is not the first time we've heard of this as we've done these listening sessions around the country. So my offer to the folks in the Soybean Association is the same as the Farm Bureau folks. It's a fascinating idea that you're putting out.

I don't know a lot about it at this point to be very honest with you. But I would like to learn more, and I hope your state or national association will either come to the USDA and spend some time with us or in the alternative get us information as you're thinking about this process. It is a -- your idea is a very interesting idea. Like I said, I'm just anxious to learn more at this point. Okay.

Great. Thank you.

MODERATOR: Rebecca, and I see John and Steve, the Corn and Soybean folks out there will make sure you get that information, Mr. Secretary. Down here. Gordon?

MR. GORDON STINE: Good afternoon, Secretary Johannis. Thank you for hosting these listening forums and for coming to Illinois. My name is Gordon Stine, president of the Illinois Farmers Union. Also a corn and soybean farmer from St. Elmo. I also grew up on a dairy farm, so I stood in that and shoveled and forked many tons of it also.

For the most part the Farm Bill we have now has worked, and it's provided a safety net for farmers. And that's what we needed. However, we the Farmers Union would like to see a permanent disaster ag assistance section in the new Farm Bill. We the Farmers Union have asked for a disaster assistance for different parts of the country many times in the last few years. This time is our time. Illinois needs disaster assistance now.

Wouldn't it make sense to incorporate a disaster assistance section into the new Farm Bill unlike now when we have to go and ask Congress every time we have a disaster? Where do we find money? We take the money out of other programs and stuff like that, or we have to come up with new monies to build a disaster assistance program into a Farm Bill so it would always be there available for farmers, whether it's frosts, a storm, or drought or too much rain, to have it there available for their assistance. Thank you.

MODERATOR: All right. Up here?

MR. DICK LITTLE: Mr. Secretary, my name is Dick Little. I'm with the Illinois Forestry Development Council here in Illinois. I'm also a landowner both in Missouri and Illinois, a forestland owner.

I'd like to speak on -- I've over the years had the privilege of working with several of your agencies, FSA, RD, NRCS, NFS, and they've been great agencies. But you got some programs out there in both the last two Farm Bills that have been great for the Illinois landowner and landowners across the state or the country regarding the environmental side, the forest stewardship program, the FLEP program, the Forest Land Enhancement Program, the CRP, EQIP and some of those other programs have all been great and they've all of course, the biggest thing been underfunded.

I definitely encourage you to keep those programs, programs like them, in the system, and adequate funding, because the landowners talk about their back 40 needs that technical assistance the states provide through those funds and also the cost sharing. Those are very critical to the resources across this country as we become more dependent on them. So thank you very much.

MODERATOR: Okay. Over here on the side?

MR. BILL FUEGET (sp): Thank you. Mr. Secretary, I'm Bill Fueget from Fairberry, Illinois. I am a farmer there. I'm also involved in the seed industry with a small, family-owned seed company in Central Illinois called Burrow (sp) Seeds. But I guess as I sat down this afternoon, picked up one of the small folders about the Farm Bureau Forums, and on the back it mentions in 1862 President Lincoln signing the act which created the USDA. And it set my mind in motion that I think also then he created the act which created the Land Grant Universities. He also created the act, which created the Extension Service.

It's my philosophy that probably those three acts have made a stronger American agriculture, thus a strong American economy, and probably has made us the world power we are. I also sense that the new Farm Bill that you're currently going to be working on is another opportunity for us to become and maintain our strength in the world series of events. I really truly believe this.

And one of the things and my purpose for being here today is, to encourage the Farm Bill to have some language that strongly encourages the use of and maximizes the use of as we've already heard a little bit here this afternoon of the biodiesels, the ethanols, the renewable fuels. I think if we continue to do this, we will continue to be that star in American agriculture and in the world. Thank you very much.

MODERATOR: Over here on the left?

MR. DAVE GILLESPIE: Mr. Secretary, thank you for being here this afternoon. My name's Dave Gillespie. I'm a retired forester from Chatham, Illinois, worked for the Department of Natural Resources. Currently on contract with the DNR working on the Forest Legacy program which is part of the previous Farm Bill. And I'm here representing the Illinois chapter of the Society of American Foresters.

I'd like to first echo everything that Dick said about the forestry programs that the Farm Bill contains and how vital those programs are and to assist Illinois forest landowners. But family forests are facing incredible risks nowadays. Nationwide about 42 percent of the forestland is owned by private landowners. Here in Illinois about 90 percent is owned by private landowners. And what we recommend is targeted educational, technical and financial assistance that address priorities that have to do with landowner assistance programs.

We favor the implementation of a landscape approach with assistance programs so investments in family forestland can make a difference on a landscape scale. Integration of assistance programs. Monitoring and evaluation of these programs to show where things are working.

We favor a market-based approach to forest conservation that allows both public and private investment in family forests and continued scientific advancement through our universities and other agencies and partners that we can help continue to provide good stewardship to our nation's forests. Thank you.

MODERATOR: As we're starting to wind down a little bit, I just want to say again we're going to have open mike here right at the end. If you've already made a comment and would like to make a quick followup comment, we'll let you do that as well. So even if you've already had a time at the microphone and you want to make a followup comment, we'll allow that too.

Let's go over here on this side.

MR. JOE STEVENSON: Mr. Secretary, I do want to thank you for being here. And I think looking ahead to the new Farm Bill probably the one thing that all farmers would most like would be a level field whether we're out there in the sector or the FSA office. My name is Joe Stevenson, and I'm from Alhambra, Illinois, in Madison County. And I am a farmer. My farm number is 698. Now.

[Laughter.]

I think the current Farm Bill has done many very, very good things for production agriculture and risk management is certainly an example of that. I think there have been some abuses of the current Farm Bill which I would hope could be avoided in the future. And I think that the suggestions from two of the organizations today about a more level playing field when it comes to risk management might also be applied to the direct payment.

It seems to me that as we look at research the very largest farmers are profitable and the very smallest farmers are profitable. Unfortunately I seem to be in the middle, and many of us in Illinois are.

We're too small to get big, and we have too much invested to get small. And so we would like to see a level playing field if at all possible. And I think that also applies to the Conservation Security Program because therein lies I think the future that's designed by watersheds.

Thank you.

MODERATOR: Here in the middle?

MR. KEN BLANK (sp): I'm Ken Blank from Iroquois County. And thank you, Secretary, for coming to Illinois. We just realized that in the last month or so that an outfit from Texas is coming to Gilman, Illinois, and they're going to put in an ethanol plant, which will require 100 loads, semi loads of corn per day. And we're grateful for that. Didn't even ask for anything; they just came in.

I also drive a Dodge E85. And I'm proud to drive that. My wife is also driving one. One of the things that I agree with the last two gentlemen, several back here, that we're not playing on the same level. The family farm is almost something that the kids today will say, Well, that was. Well, I don't know where we can go from where we're at. But we are not on the same level as we should be.

I look at these young people around, and I wonder, how many of those are going to move to the city and never come back? I have brother-in-laws that come out to visit, one from Florida and one from Kansas City, and we get in that E85 and we drive around. And their comments are, Well, I remember this family lived there and they had about four or five kids. And we'd go a little further and -- but there's no buildings there. We go

a little further and, Well that was another family and they had six kids. So on we go around the country.

Well, the family farms are basically gone. What can you do to help the young people and us old fogies -- I'm not retired but I'm tired -- what can we do to get on the same level with the big operators?

Now I drive around, my brother-in-laws' comment was, my God, they got their houses all fixed, see a brand new John Deere combine sitting out there, new tractors. How can that be? I says, Well it's the farm program.

I think sometimes the farm program is killing us average farmers. We're competing with the program.

MODERATOR: Need to wrap it up.

MR. BLANK: Thank you.

MODERATOR: Thank you, and thanks for using E85. And sometimes you want the mother-in-law to move to town and stay, right? The others you want to come back to the country? You didn't say that. Okay.

Got one over here?

MS. MINDY WILLIAMSON: My comments today are going to be brief. My name is Mindy Williamson, and I work for an organization called Farm Safety for Just Kids. And I don't need to convince you or anybody else in this room how important and wonderful agriculture is. Just remember outreach education for younger people in the next Farm Bill. Thank you.

MODERATOR: Has everyone who has not yet spoken that would like to -- you want to? If not, we're going to have some followup comments. So this is your chance. All right. Follow up, quick comments.

MR. KEITH BOLIN: Thank you, Mike. Mr. Secretary, Keith Bolin again. I just want to thank you for coming, and any time you want to come down to the farm in Bureau County and break bread with our family, you're more than welcome. And I'd appreciate it, as Bill O'Reilly would say, on our barnyard it would be the No Spin Zone there. I very much mean that.

I do want to make a comment. Mr. Oberweis is running for governor. I'm Republican, Conservative, and I think I'm Republican. And he was mentioning he's for the marketplace, get the government out of the pricing. The last thing he mentioned was, oh by the way, I want my producers under contract. That bothers me as a Conservative. You talked about Lincoln here a moment ago, and we think of Teddy Roosevelt, the trust

buster, and he was also an environmentalist. Good business and environmentalists can go hand in hand. They don't have to be opposed.

And I think the family farmer is the best steward you can have. I think he's the best animal husbander. And I think we better think long and hard before we turn our backs completely on the family farm. I believe he's the most efficient within the borders of this country. I think we have a hard time competing at a dollar a day with the Chinese farmer. But that's another issue.

But I do want to say to you, you're more than welcome to come to our farm, Mr. Secretary. Enjoyed having you in Illinois. And I think the Conservatives -- and I'm one of them -- better rethink when what they want is captive supplies for themselves as the processor, but they want us the producer to compete in the marketplace with everybody in the world. I find that a little bit hypocritical. I thank you, sir.

MODERATOR: All right. Any other comments? Got one over here?

MR. JOHN CABOT: Again thank you. I'm going back to a vacation 2002 to Virginia. I went to Constitutional Drive, went to James Madison's home, John Monroe and Thomas Jefferson. And I think we need to have everybody in Washington take a one-hour field trip like I did today, a two-hour, come up here and read what they put on the walls, why they came to this country, so we can have free independent farmers and family members to have shoe stores and family farms and all that, everything that's on the wall there.

I said, man, if we get our senators and representatives to come to this Constitutional Drive in Virginia, man we can get America back to the way we want it to be again, where we can have these young people, myself --

I always tell my students, I'm 43 years old, still dream of being a farmer. I farm with my dad who's 65, and he tells me he's wore out. And my cousin just died in a grain bin, so I could have did it this year. He's got 750 acres too. I still think God's calling me to be with these FFA members, so I'm still trying to do both. So I just hope everybody goes and sees what they said in Constitutional Drive in Virginia. Thank you.

MODERATOR: Thank you. Anyone else? Okay. I just want to make a comment before we have closing remarks from the Secretary.

Several days ago, several weeks ago now, on Agritalk I asked Secretary Johanns-- I said, What will your role be in this Farm Bill? Are you going to be behind the scenes, are you going to be passive, are you going to be active? And he just jumped. He said, Proactive. I'm going to be very, very involved in this Farm Bill process. We've not seen all past secretaries be that way. He has taken that proactive stance by going around the country and hearing what people like you have to say. I think we should give him a round of applause for doing that.

[Applause.]

SEC. JOHANNIS: Thank you very much. Well, thank you very much. I'll offer a few thoughts to kind of wrap us up today.

First thought is, I really appreciate you being here. The comments were, I thought, excellent. Every Farm Bill Forum that we have had, I've walked away with many notecards filled with notes. But most importantly I've walked away with ideas. That happened again today. You know, you say something and it makes me think about another aspect of farm policy. So I make a note, and then we go back and we sit down and we start talking about that and how that might fit in.

Somebody said when we started this process, "Gosh, it seems awfully early to be talking about the 2007 Farm Bill. So I thought maybe if I could just take a moment to tell you what we're going to do with all these notes, with these ideas, and maybe spend just a moment on process.

The 2007 Farm Bill is not that far away when you think about it in this respect. We really wanted to do a national tour if you will. We could have kicked this off here in Illinois and gone out and done four or five of these across the country and called it good. But agriculture in this country is very, very diverse. From the Plains States, down into the South, the Western United States, you get up into the Northeast part of the country, it's just very, very diverse.

So I felt very strongly that if we were going to commit to doing this we needed to get across the country. And I'm doing a lot of these myself. I have under secretaries, my deputy, that are also doing some. But in order to do that, we needed some time. It's a big country out there, and we have other things that impact our schedule.

So we needed about the remainder of this year -- not that we will take all the remainder of the year to do the forums, but by the time you work schedules it's going to be fairly late in the year before we call it good and say that we have done the forums that we wanted to do.

Plus, we've got some specialty forums out there. We do it a lot in the nutrition areas, so those folks wanted the opportunity to offer some thoughts. And so we're going to do some of those specialty type forums also.

Well, that takes us pretty much through the end of the year. We then start 2006 working with the House and Senate on ideas. And my expectation is that they'll do some field hearings out there also across the country and invite people in to offer their thoughts just like I did here today.

Well, once you start doing that, you start moving through 2006 and maybe even the better part of 2006. That's going to bring you to a point where somewhere out there

you sit down and start literally working the legislation. By the time you get that done, you're really nearing the end of 2006, if not the first part of 2007.

Now somewhere in the first part of 2007 I believe we've got to be getting a Farm Bill in place. We've got to have the hearings and the debate and the discussion and the vote and all of that process because in the early part of 2007 we need to send a signal to the ag community as to what this Farm Bill is going to be about so they can make decisions that they have to make that are based upon farm policy.

So when you think about the process, actually we're probably about right on schedule. We certainly don't have a lot of extra time as we start to build this Farm Bill.

Now, the other thing I wanted to visit with you about very briefly, some of the themes we're hearing around the country. And we have been pretty much around the country already. We've been out West, we've been in the South, we've been in the Midwest -- to a lesser extent up in the Northeast although we have done some of that also.

Here are some of the thoughts. Rural economic development, pretty unanimously approved across the country. Not that people don't have some suggestions and ideas and hopes for funding and that sort of thing. But by and large, people after five years with this President are looking around and saying, You know that project has made a difference in this community. It's like the gentleman who got up and spoke about the program that kept that business in town and therefore kept jobs. The infrastructure improvements-- water, sewer etcetera. So we get pretty universal support for the rural economic development programs, but still have some good ideas there.

The second area is conservation. The testimony today would be pretty indicative of what we're hearing across the country. Pretty good support for conservation. Not unanimous. There are some parts of the country, especially where ranchers are competing for grassland, that we heard from some ranchers saying, you know your conservation programs take that land out of production if you will, grassland production, and that competes with me because I need land to grow my cattle on, my cow-calf operation.

So that's something to factor in. We've heard some discussion about kind of a working lands proposal to conservation, and again that's an interesting thing to think about.

Yesterday in Kentucky I heard something, maybe not for the first time but the gentleman spoke with real clarity when he said, You know as we think about our next farm program I would advocate that we remove our support programs for agriculture into more conservation oriented programs. Now why would he say that? One is, it has a pretty broad sweep. You know if you're involved in conservation you could apply for and hopefully receive the benefits of the program.

The other thing is, it does have some implications relative to trade issues out there. The green box. You know you hear about the green box. All I can tell you is this. It's not so much what box; it's the fact that conservation programs generally don't have a problem when it comes to trade issues. So that's why that discussion pops up. But again, pretty good support for the conservation programs.

We do hear a lot relative to this theme about young people getting into agriculture. I was the governor of a very large ag-producing state, just about in every major category we produced a lot and exported a lot.

I would travel all over that state as governor. I would speak at the annual Chamber dinner, volunteer recognition dinner, whatever it was. When I got into the rural areas, there was one thing that was pretty consistent. As I looked out across the crowd, the majority of people in the audience by quite a bit actually, were people my age or older, 55 or older. We are due for a pretty significant generational shift here in agriculture, and it's not that far off.

This gentleman said, I'm not retired but I'm tired. Well, maybe we all feel that way some days. But the reality is that our generation is about ready to look to this generation in the blue jackets and say, it's your turn. How do we facilitate them entering into agriculture? And so we always start these forums with 4-H and FFA kicking them off, but it's a very important theme. I really feel strongly that our farm policy should encourage that or we're going to face some challenges out there over the next 15 to 20 years just in terms of how that land passes to the next generation and they get involved in agriculture.

Well, those are some general thoughts at this point. The input has been excellent. This was a really, really good Farm Bill Forum. You came prepared. You had some really thoughtful ideas. That's why I did kind of jump in at a couple of points there to say, I want to understand more about that and learn about what you're saying.

Final thought. We do have some time here before a final Farm Bill is submitted, discussed, debated, voted on, all of that. A lot of things can happen in that period of time. We've got a WTO process out there, we've got the trade issues out there, all of those things. What I would encourage you to do is this. We have an excellent website, USDA.GOV, very easy to remember. You go on that website, you'll see our Farm Bill Forum place where you can click on. Please stay in touch with us. We want to hear from you. We want to hear from these young people.

My hope is that in every FFA program in the United States young people are talking about this and sending us ideas, e-mailing us, getting on our website. But I say that also to our farmers and our ranchers across the United States. If you don't like to mess around with the computer, that's fine. Send us a letter. Somehow let us know what you're thinking about.

We really appreciate that input, and we believe it will be very helpful as we start to formulate our thinking about the next Farm Bill.

Then finally, the role of the administration. You're absolutely right-- it's been about 20 years since the administration actually submitted a specific proposal on a Farm Bill, specific legislation. We're going to a lot of effort here. I have some pretty strong feelings and passion for agriculture. That's where I grew up. I do intend to do everything I can to be directly involved in the Farm Bill.

Still a few months away from us deciding whether we will submit an actual piece of legislation, but that's possible. Under any circumstances though, with the support of the President we do intend to be very actively involved, not only in approaches but in the discussion and the debate about what this farm policy should look like.

So very important, we ask you to stay in touch with us. Let us know what's on your mind.

And then finally to our moderators, I thought they did a great job, kept us on track. Thank you very much.

[Applause.]

Thank you, ladies and gentlemen.